

CHAPMAN AND CUTLER

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September 4, 1998

SEP 4 '98

11-05 AM

RECORDATION NO. 21624-17
FILED

SEP 4 '98

11-05 AM

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, D.C. 20423-0001

Re: Virginia Electric and Power Company
Leveraged Lease Financing of Railroad Rolling Stock

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the two primary documents described below and the two secondary documents described below. As an attorney representing one of the parties in this transaction, I have knowledge of the matters described in this letter.

The primary documents are as follows:

- (1) Memorandum of Lease, dated as of August 15, 1998, between First Security Bank, National Association, as Lessor (the "Lessor"), and Virginia Electric and Power Company, as Lessee (the "Lessee"); and
- (2) Memorandum of Security Agreement, dated as of August 15, 1998, between First Security Bank, National Association, as Debtor (the "Debtor"), and Wilmington Trust Company, as Security Trustee (the "Security Trustee").

The secondary documents are as follows:

- (1) Memorandum of Lease Supplement No. 1, dated September 4, 1998, between the Lessor and the Lessee; and
- (2) Memorandum of Security Agreement Supplement No. 1, dated September 4, 1998, between the Debtor and the Security Trustee.

The primary documents to which the Memorandum of Lease Supplement No. 1 and the Memorandum of Security Agreement Supplement No. 1 are connected are the Memorandum of

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Lease and the Memorandum of Security Agreement, respectively, referred to above, which are being submitted for recording concurrently therewith.

The names and addresses of the parties to the enclosed documents are as follows:

MEMORANDUM OF LEASE

Lessor: First Security Bank, National Association
79 South Main Street
Salt Lake City, Utah 84111

Lessee: Virginia Electric and Power Company
1 James River Plaza
701 East Cary Street
Richmond, Virginia 23219

MEMORANDUM OF SECURITY AGREEMENT

Debtor: First Security Bank, National Association
79 South Main Street
Salt Lake City, Utah 84111

Security Trustee: Virginia Electric and Power Company
1 James River Plaza
701 East Cary Street
Richmond, Virginia 23219

MEMORANDUM OF LEASE SUPPLEMENT NO. 1

Lessor: First Security Bank, National Association
79 South Main Street
Salt Lake City, Utah 84111

Lessee: Virginia Electric and Power Company
1 James River Plaza
701 East Cary Street
Richmond, Virginia 23219

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MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 1

Debtor: First Security Bank, National Association
79 South Main Street
Salt Lake City, Utah 84111

Security Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

The description of the Equipment covered as of the date hereof by the aforesaid Memorandum of Lease, Memorandum of Security Agreement, Memorandum of Lease Supplement No. 1 and Memorandum of Security Agreement Supplement No. 1 is as set forth on Exhibit A hereto.

A fee of ninety-six dollars (\$96.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Demetria Vong-Spillan, Esq.
Chapman and Cutler
111 West Monroe
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

(1) MEMORANDUM OF LEASE:

Memorandum of Lease between First Security Bank, National Association, as Lessor, 79 South Main Street, Salt Lake City, Utah 84111 and Virginia Electric and Power Company, as Lessee, 1 James River Plaza, 701 East Cary Street, Richmond, Virginia 23219, dated as of August 15, 1998, covering the new railroad rolling stock bearing the road numbers listed in the exhibit thereto.

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(2) MEMORANDUM OF SECURITY AGREEMENT:

Memorandum of Security Agreement between First Security Bank, National Association, as Debtor, 79 South Main Street, Salt Lake City, Utah 84111 and Wilmington Trust Company, as Security Trustee, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, dated as of August 15, 1998, covering the obligations of the Debtor relating to new railroad rolling stock bearing the road numbers listed in the exhibit thereto.

(3) MEMORANDUM OF LEASE SUPPLEMENT NO. 1:

Memorandum of Lease Supplement No. 1 between First Security Bank, National Association, as Lessor, 79 South Main Street, Salt Lake City, Utah 84111 and Virginia Electric and Power Company, as Lessee, 1 James River Plaza, 701 East Cary Street, Richmond, Virginia 23219, dated September __, 1998, covering new railroad rolling stock bearing the road numbers listed in the exhibit thereto. Memorandum of Lease Supplement No. 1 is related to the Memorandum of Lease between the Lessor and the Lessee dated as of August 15, 1998, which is filed concurrently herewith.

(4) MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 1:

Memorandum of Security Agreement Supplement No. 1 between First Security Bank, National Association, as Debtor, 79 South Main Street, Salt Lake City, Utah 84111 and Wilmington Trust Company, as Security Trustee, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, dated September __, 1998, covering the obligations of the Debtor relating to new railroad rolling stock bearing road numbers listed in the exhibit thereto. The Memorandum of Security Agreement Supplement No. 1 is related to the Memorandum of Security Agreement between the Debtor and the Security Trustee, dated as of August 15, 1998, which is filed concurrently herewith.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3019).

Sincerely,

CHAPMAN AND CUTLER

By 
Demetria Vong-Spallan

Enclosure

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EXHIBIT A

ITEMS OF EQUIPMENT	QUANTITY	ROAD NUMBERS
Rapid Discharge IV aluminum-bodied, five pocket coal hopper cars manufactured by Trinity Industries, Inc.	100	VAPX 98001-98100, both inclusive.

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MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 1

Memorandum of Security Agreement Supplement No. 1, made and entered into on September 4, 1998 by and between First Security Bank, National Association, a national banking association, a national banking association, not individually but solely as Owner Trustee, as Debtor (the "*Debtor*") and Wilmington Trust Company, a Delaware banking corporation, not individually but solely as Security Trustee (the "*Security Trustee*").

WITNESSETH:

1. The undersigned have entered into that certain Security Agreement-Trust Deed (the "*Security Agreement*"), dated as of August 15, 1998, by which the Debtor has granted a security interest to the Security Trustee in order to secure the Debtor's performance of certain obligations as described in the Security Agreement.
2. A memorandum of said Security Agreement is being recorded with the Surface Transportation Board concurrently herewith pursuant to Section 11301 of Title 49 of the United States Code.
3. The undersigned have entered into that certain Security Agreement Supplement No. 1, dated September ____, 1998, relating to the above-described Security Agreement and extending the Debtor's grant of a security interest therein to railroad rolling stock bearing road numbers as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

FIRST SECURITY BANK, NATIONAL
ASSOCIATION, not individually but solely as
Owner Trustee

By 

Name: **Brett R. King**
Title: **Assistant Vice President**

Executed on this 1st day of September,
1998.

WILMINGTON TRUST COMPANY, not
individually but solely as Security Trustee

By _____

Name:

Title:

Executed on this ____ day of _____,
1998.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized on the date and year first above written.

FIRST SECURITY BANK, NATIONAL
ASSOCIATION, not individually but solely
as Owner Trustee

By _____
Name:
Title:

Executed on this ____ day of _____,
1998.

WILMINGTON TRUST COMPANY, not
individually but solely as Security Trustee

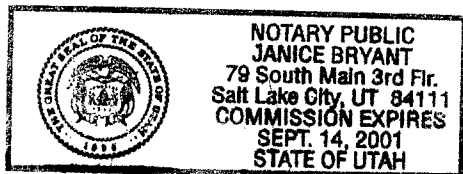
By  _____
Name:
Title: **W. CHRIS SPONENBERG**
ASSISTANT VICE PRESIDENT


Executed on this 28th day of August,
1998.

STATE OF Utah)
) SS.:
COUNTY OF Salt Lake)

On this, the 1st day of September, 1998, before me, a Notary Public in and for said County and State, personally appeared Brett R. King, who being by me duly sworn, says that (s)he is the Assistant Vice President of FIRST SECURITY BANK, NATIONAL ASSOCIATION, that said instrument was signed on September 1, 1998 on behalf of said association by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.




Name: Janice Bryant
Notary Public
My Commission Expires:
Residing in _____

STATE OF DELAWARE)
) SS:
COUNTY OF NEW CASTLE)

On this, the 28th day of August, 1998, before me, a Notary Public in and for said County and State, personally appeared W. Chris Sponenberg, who being by me duly sworn, says that (s)he is the Ass't. Vice President of WILMINGTON TRUST COMPANY, that said instrument was signed on August 28, 1998 on behalf of said association by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Kathleen A. Pedelini
Notary Public
My Commission Expires:
Residing in _____

KATHLEEN A. PEDELINI
NOTARY PUBLIC
My Commission expires October 31, 1998

EXHIBIT A

EQUIPMENT	QUANTITY	ROAD NUMBERS
Rapid Discharge IV aluminum-bodied, five pocket coal hopper cars manufactured by Trinity Industries, Inc.	100	VAPX 98001-98100, both inclusive.